
Do we need another book on the making of the economic order in Germany after the Second World War, something that has been so well examined over the last six decades? Is there new historical evidence to be discovered, or are there new theoretical approaches waiting to be applied? In his study, Christian L. Glossner suggests that the concept of the Social Market Economy (Soziale Marktwirtschaft) was successful in Germany because both academic and political circles publicly campaigned for it. According to Glossner, in 1948 Ludwig Erhard and Konrad Adenauer were able to persuade the public and the socio-political elite to accept their economic ideas, as opposed to the diffuse and less programmatic concepts of the Social Democrats. Thus they overcame the challenge posed by the broad acceptance of socialist ideas among the German public after the war.

Glossner presents his argument in two parts. The first, comprising two-thirds of the book, looks at the different economic concepts developed by academics and political parties between 1945 and 1949. The second, consisting of about fifty pages, concentrates on the public reactions to the concepts by examining a wide range of sources, such as opinion polls, newspaper articles, and parliamentary petitions. Given that Glossner lists no fewer than twenty-seven archives in the appendix, it comes as a surprise that this second part, which is so important for the book’s hypothesis and its innovative aspirations, is predominantly based on published material.

The first of three chapters that cover the evolution of neo-liberal schools in Germany applies somewhat idiosyncratic definitions of the different schools of thought. The Freiburg Circles are described as consisting of the members of the former ‘workgroup Erwin von Beckerath’, a successor to the economists assembled in the Nazi Academy of German Law. These often met in the house of Walter Eucken, the group’s intellectual leader, to discuss what aims and problems the economic order would have once the war was over. Surprisingly, Glossner includes Friedrich Lutz, a pupil of Walter Eucken, in this group, although Lutz had been in Princeton since 1938 and only returned to Freiburg after Eucken’s death in 1950. According to
Glossner, the Freiburg Circles formed the nucleus of the famous Advisory Council of the Economic Administration (later of the Ministry of Economics). Glossner mistakenly identifies the liberal Frankfurt law professor Franz Böhm, who collaborated with Eucken in Freiburg, as the chairman of this council. In fact, Böhm chaired only the initial meeting at which the sociologist Heinz Sauermann became the first elected chairman. Though widely repeated in the literature, this is a significant mistake because it suggests that the advisory council was a neo-liberal think-tank for German economic policy whereas, in fact, its members had been carefully selected by the economist Hans Moeller to represent as many competing economic approaches as possible.

Unlike the first Freiburg group, the second, which Glossner calls the Freiburg School, did not limit itself to an academic audience. Wilhelm Röpke is described as the core figure of this strand of neo-liberalism. He was deeply convinced that only economic subjects fully familiar with how the market economy functioned could make rational economic decisions and that, consequently, the market economy would not work without trained economists. The education of the public certainly lay at the heart of ordo-liberal economic thought (an insight justifiably emphasized by Glossner and one which deserves more scholarly attention). The Freiburg School, however, was less clear cut than a third school of thought which Glossner names the Cologne School. Again, Glossner’s terminology appears to be at least questionable, as it consisted only of Alfred Mueller-Armack, the school’s principal, and Ludwig Erhard, who can hardly be considered Mueller-Armack’s pupil. Erhard and Mueller-Armack promoted the Social Market Economy as an intellectual brand and Glossner presents the institutions and the people carrying out the campaign. At this point, arguably one of the strongest parts of the book, Glossner shows how emphatically Erhard and a group of industrialists, journalists, and politicians fought for the Social Market Economy.

Two chapters follow on the evolution of the economic concepts of the German Social Democratic Party and the Christian Democratic Union, including the Christian Social Union in Bavaria. These chapters contain little information that is not known from the existing literature on party politics and, to some extent, parts of them deviate from the overall narrative of the book. The following chapters on
public opinion are organized chronologically. They document a slow shift from a dominantly socialist attitude in Western Germany to a strong belief in the Social Market Economy as revealed in surveys from mid 1949. This is a worthwhile approach that complements the few studies that exist on individual newspapers, but it requires more advanced methods (for example, discourse analysis or quantifying methods) to produce reliable results.

All in all, Glossner’s story of the success of the concept of the Social Market Economy in German public opinion is not entirely convincing, firstly, because of a rather selective reading of the material that too often uses myths to ‘prove’ the impact of the Social Market Economy, such as Ludwig Erhard’s description of himself in his Wohlstand für Alle (1957), for example. Secondly, Glossner equates the electoral success of a political party with the success of a particular economic programme whereas, as he himself points out, programmes were not always accepted and promoted without discussion by political parties. And, of course, they might not be the reason for voting for a party, let alone the main reason. Finally, the economic concepts examined are much too diffuse to allow their acceptance by public opinion to be researched. The methods of the early opinion polls were too questionable and Glossner’s information on the newspapers is too limited to suggest such a strong correlation. Large parts of the book, therefore, consist of a comprehensive summary of the existing literature and present few new insights into the early history of the Social Market Economy.

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